

House Amendment 1385

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1 1 Amend House File 807 as follows:
1 2 #1. By striking everything after the enacting
1 3 clause and inserting the following:
1 4 <Section 1. Section 422.4, subsection 1,
1 5 paragraphs b and c, Code 2009, are amended to read as
1 6 follows:
1 7 b. "Cumulative inflation factor" means the product
1 8 of the annual inflation factor for the ~~1988~~ 2009
1 9 calendar year and all annual inflation factors for
1 10 subsequent calendar years as determined pursuant to
1 11 this subsection. The cumulative inflation factor
1 12 applies to all tax years beginning on or after January
1 13 1 of the calendar year for which the latest annual
1 14 inflation factor has been determined.
1 15 c. The annual inflation factor for the ~~1988~~ 2009
1 16 calendar year is one hundred percent.
1 17 Sec. 2. Section 422.5, subsection 1, paragraphs a
1 18 through i, Code 2009, are amended to read as follows:
1 19 For tax years beginning
1 20 in the calendar year:
1 21 2009 2010 and
1 22 subsequent
1 23 calendar years
1 24 a. On all taxable income from
1 25 zero through one thousand ~~four~~
1 26 ~~hundred seven~~ dollars, ~~thirty-six~~
1 27 ~~hundredths of one percent.~~ 0.30% 0.31%
1 28 b. On all taxable income
1 29 exceeding one thousand ~~four hundred~~
1 30 ~~seven~~ dollars but not exceeding two
1 31 thousand ~~eight hundred fourteen~~
1 32 ~~dollars, seventy-two hundredths of~~
1 33 ~~one percent.~~ 0.59% 0.60%
1 34 c. On all taxable income
1 35 exceeding two thousand ~~eight hundred~~
1 36 ~~fourteen~~ dollars but not exceeding
1 37 ~~four five~~ thousand ~~six hundred~~
1 38 ~~twenty-eight~~ dollars,
1 39 ~~two and forty-three hundredths~~
1 40 ~~percent.~~ 1.95% 2.00%
1 41 d. On all taxable income
1 42 exceeding ~~four five~~ thousand ~~six~~
1 43 ~~hundred twenty-eight~~ dollars but
1 44 not exceeding ~~nine twelve~~ thousand
1 45 ~~six hundred sixty-three~~ dollars,
1 46 ~~four and one-half percent.~~ 4.18% 4.28%
1 47 e. On all taxable income
1 48 exceeding ~~nine twelve~~ thousand
1 49 ~~six hundred sixty-three~~ dollars but
1 50 not exceeding ~~fifteen twenty-one~~
2 1 thousand ~~one hundred five~~ dollars,
2 2 ~~six and twelve hundredths~~
2 3 ~~percent.~~ 5.42% 5.56%
2 4 f. On all taxable income
2 5 exceeding ~~fifteen twenty-one~~
2 6 thousand ~~one hundred five~~ dollars
2 7 but not exceeding ~~twenty twenty-eight~~
2 8 thousand ~~one hundred forty~~ dollars,
2 9 ~~six and forty-eight hundredths~~
2 10 ~~percent.~~ 5.42% 5.56%
2 11 g. On all taxable income
2 12 exceeding ~~twenty twenty-eight~~
2 13 thousand ~~one hundred forty~~ dollars
2 14 but not exceeding ~~thirty forty-two~~
2 15 thousand ~~two hundred ten~~ dollars,
2 16 ~~six and eight-tenths percent.~~ 5.73% 5.87%
2 17 h. On all taxable income
2 18 exceeding ~~thirty forty-two~~ thousand
2 19 ~~two hundred ten~~ dollars but not
2 20 exceeding ~~forty-five sixty-three~~
2 21 thousand ~~three hundred fifteen~~
2 22 ~~dollars, seven and ninety-two~~
2 23 ~~hundredths percent.~~ 6.16% 6.30%
2 24 i. On all taxable income

2 25 exceeding forty=five ~~sixty=three~~
 2 26 thousand ~~three hundred fifteen~~
 2 27 dollars, ~~eight and ninety-eight~~
 2 28 hundredths percent.: 6.98% 6.98%
 2 29 Sec. 3. Section 422.12, subsection 1, paragraphs d
 2 30 and e, Code 2009, are amended to read as follows:
 2 31 d. For a single individual, husband, wife, or head
 2 32 of household, an additional exemption of ~~twenty forty~~
 2 33 dollars for each of said individuals who has attained
 2 34 the age of sixty-five years before the close of the
 2 35 tax year or on the first day following the end of the
 2 36 tax year.
 2 37 e. For a single individual, husband, wife, or head
 2 38 of household, an additional exemption of ~~twenty forty~~
 2 39 dollars for each of said individuals who is blind at
 2 40 the close of the tax year. For the purposes of this
 2 41 paragraph, an individual is blind only if the
 2 42 individual's central visual acuity does not exceed
 2 43 twenty=two hundredths in the better eye with
 2 44 correcting lenses, or if the individual's visual
 2 45 acuity is greater than twenty=two hundredths but is
 2 46 accompanied by a limitation in the fields of vision
 2 47 such that the widest diameter of the visual field
 2 48 subtends an angle no greater than twenty degrees.
 2 49 Sec. 4. Section 422.12B, subsection 1, Code 2009,
 2 50 is amended to read as follows:
 3 1 1. The taxes imposed under this division less the
 3 2 credits allowed under section 422.12 shall be reduced
 3 3 by an earned income credit equal to ~~seven eight~~
 3 4 percent of the federal earned income credit provided
 3 5 in section 32 of the Internal Revenue Code. Any
 3 6 credit in excess of the tax liability is refundable.
 3 7 Sec. 5. Section 422.12C, subsection 1, Code 2009,
 3 8 is amended to read as follows:
 3 9 1. a. The taxes imposed under this division, less
 3 10 the amounts of nonrefundable credits allowed under
 3 11 this division, shall be reduced by a child and
 3 12 dependent care credit equal to the following
 3 13 percentages of the federal child and dependent care
 3 14 credit provided in section 21 of the Internal Revenue
 3 15 Code:
 3 16 a. (1) For a taxpayer with net income of less
 3 17 than ten thousand dollars, ~~seventy-five eighty~~
 3 18 percent.
 3 19 b. (2) For a taxpayer with net income of ten
 3 20 thousand dollars or more but less than twenty thousand
 3 21 dollars, ~~sixty-five seventy~~ percent.
 3 22 c. (3) For a taxpayer with net income of twenty
 3 23 thousand dollars or more but less than twenty-five
 3 24 thousand dollars, ~~fifty-five sixty~~ percent.
 3 25 d. (4) For a taxpayer with net income of
 3 26 twenty-five thousand dollars or more but less than
 3 27 thirty-five thousand dollars, ~~fifty fifty=five~~
 3 28 percent.
 3 29 e. (5) For a taxpayer with net income of
 3 30 thirty-five thousand dollars or more but less than
 3 31 forty thousand dollars, ~~forty forty=five~~ percent.
 3 32 f. (6) For a taxpayer with net income of forty
 3 33 thousand dollars or more but less than forty-five
 3 34 thousand dollars, ~~thirty thirty=five~~ percent.
 3 35 g. (7) For a taxpayer with net income of
 3 36 forty-five thousand dollars or more, ~~zero but less~~
 3 37 ~~than fifty thousand dollars, thirty~~ percent.
 3 38 (8) For a taxpayer with net income of fifty
 3 39 thousand dollars or more, zero percent.
 3 40 b. (1) For the tax year beginning in the 2010
 3 41 calendar year and for each subsequent tax year, the
 3 42 dollar amounts set forth in paragraph "a",
 3 43 subparagraphs (1) through (8), shall be multiplied by
 3 44 the cumulative adjustment factor for that tax year.
 3 45 "Cumulative adjustment factor" means the product of
 3 46 the annual adjustment factor for the 2009 tax year and
 3 47 all annual adjustment factors for subsequent tax
 3 48 years. The cumulative adjustment factor applies to
 3 49 the tax year beginning in the calendar year for which
 3 50 the latest annual adjustment factor has been
 4 1 determined.
 4 2 (2) The annual adjustment factor for the 2009 tax
 4 3 year is one hundred percent. For each subsequent tax
 4 4 year, the annual adjustment factor equals the annual
 4 5 inflation factor for the calendar year, in which the

4 6 tax year begins, as computed in section 422.4 for
4 7 purposes of the individual income tax.
4 8 (3) The director shall determine for the 2010 tax
4 9 year and each subsequent tax year the annual and
4 10 cumulative adjustment factor for that tax year. The
4 11 annual and cumulative adjustment factors determined by
4 12 the director are not rules as defined in section
4 13 17A.2, subsection 11.

4 14 Sec. 6. Section 422.12C, subsection 2, unnumbered
4 15 paragraph 1, Code 2009, is amended to read as follows:

4 16 The taxes imposed under this division, less the
4 17 amounts of nonrefundable credits allowed under this
4 18 division, may be reduced by an early childhood
4 19 development tax credit equal to twenty-five percent of
4 20 the first one thousand dollars which the taxpayer has
4 21 paid to others for each dependent, as defined in the
4 22 Internal Revenue Code, ages three through five for
4 23 early childhood development expenses. In determining
4 24 the amount of early childhood development expenses for
4 25 the tax year beginning in the 2006 calendar year only,
4 26 such expenses paid during November and December of the
4 27 previous tax year shall be considered paid in the tax
4 28 year for which the tax credit is claimed. This credit
4 29 is available to a taxpayer whose net income is less
4 30 than ~~forty-five thousand dollars~~ the dollar amount
4 31 specified in subsection 1, paragraph "a", subparagraph

4 32 (8), as adjusted for inflation pursuant to subsection
4 33 1, paragraph "b". If the early childhood development
4 34 tax credit is claimed for a tax year, the taxpayer and
4 35 the taxpayer's spouse shall not claim the child and
4 36 dependent care credit under subsection 1. As used in
4 37 this subsection, "early childhood development
4 38 expenses" means services provided to the dependent by
4 39 a preschool, as defined in section 237A.1, materials,
4 40 and other activities as follows:

4 41 Sec. 7. Section 422.21, unnumbered paragraph 5,
4 42 Code 2009, is amended to read as follows:

4 43 The director shall determine for the ~~1989~~ 2010 and
4 44 each subsequent calendar year the annual and
4 45 cumulative inflation factors for each calendar year to
4 46 be applied to tax years beginning on or after January
4 47 1 of that calendar year. The director shall compute
4 48 the new dollar amounts as specified to be adjusted in
4 49 section 422.5 by the latest cumulative inflation
4 50 factor and round off the result to the nearest one
5 1 dollar. The annual and cumulative inflation factors
5 2 determined by the director are not rules as defined in
5 3 section 17A.2, subsection 11. The director shall
5 4 determine for the 1990 calendar year and each
5 5 subsequent calendar year the annual and cumulative
5 6 standard deduction factors to be applied to tax years
5 7 beginning on or after January 1 of that calendar year.
5 8 The director shall compute the new dollar amounts of
5 9 the standard deductions specified in section 422.9,
5 10 subsection 1, by the latest cumulative standard
5 11 deduction factor and round off the result to the
5 12 nearest ten dollars. The annual and cumulative
5 13 standard deduction factors determined by the director
5 14 are not rules as defined in section 17A.2, subsection
5 15 11.

5 16 Sec. 8. RETROACTIVE APPLICABILITY. This Act
5 17 applies retroactively to January 1, 2009, for tax
5 18 years beginning on or after that date.>

5 19 #2. Title page, line 2, by striking the words <the
5 20 elimination of federal deductibility,>.

5 21 #3. By renumbering as necessary.

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